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CITY OF LODI COUNCIL COMMUNICATION

AGENDA ITEM

E-9

AGENDA TITLE: Adopt Resolution Amending Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the Period of October 9, 2007 through October 8, 2011

MEETING DATE: January 16, 2008

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Adopt resolution amending Memorandum of Understanding between the City of Lodi and the Lodi Police Officers Organization for the period of October 9, 2007 through October 8, 2011.

BACKGROUND INFORMATION: The Memorandum of Understanding (MOU) between the City of Lodi and the Police Officers Association of Lodi (POAL) expired on October 8, 2007. As directed by City Council through the City Manager, representatives from the POAL, City staff, and an outside negotiator (Bill Avery from Avery and Associates) began negotiations for the purpose of amending the MOU. The recommended elements of the MOU (as included in the attached tentative agreement, marked Exhibit A) are as follows:

- The first year of the MOU includes no Cost of Living Adjustments or any other salary modifications.
- Effective October 9, 2008, employees of the POAL shall receive a minimum salary increase of 10% plus an amount that shall be a net percentage that is derived by comparing the salary of Sergeants with Police Officers that will maintain a 20% differential between the top steps of the two positions.
- Salary adjustments on October 9, 2009 and October 9, 2010, shall be based on maintaining a 20% differential between Sergeants salaries (as surveyed) and Police Officers salaries. If General Fund revenues do not increase by at least 1% between the fiscal years preceding the dates of these adjustments, then POAL and the City of Lodi will reopen negotiations with regard to salary and benefits.
- The Performance Incentive Bonus (PIB) will be changed to a loyalty incentive, which will be based on the number of years of service (either 10 years or 20 years) and the amounts to be received will remain the same \$1,500 at 10 years and \$3,000 at 20 years.
- The amount of compensatory time to be carried on the books will be adjusted to be no more than 240 hours instead of the current amount of 100 hours.
- Medical fringe benefits for employees opting out of the agreed upon health benefit program will be adjusted to ½ of the health insurance benefit being paid into the employee's deferred compensation account.
- Negotiations regarding health insurance contributions shall be opened if the PORAC trust becomes available.
- All other elements of the MOU remain unchanged.

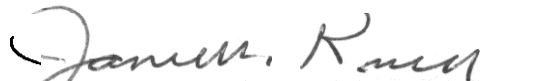
APPROVED: _____

Blair King, City Manager

These terms include paying the bargaining unit employees based on market conditions and at the same time gives the City of Lodi an opportunity to re-negotiate should its financial condition change dramatically. Although General Fund revenues have not increased by less than 1% at any time over the last few years, staff is recommending that this escape clause be included in order to allow for the possibility of revenue declines in the last three years of the MOU.

FISCAL IMPACT: The current year salary modifications as recommended would impact the General Fund by approximately \$400,000 per year. In subsequent years, the impact would vary depending on the results of total compensation surveys to be completed in those years. If revenues do not materialize, then the fiscal impact would vary depending on renegotiated terms in subsequent years.

FUNDING AVAILABLE: The increase of \$400,000 to salary and benefits will not occur until fiscal year 2008-09. Upon City Council approval, the 2008-09 budget would incorporate this increase.


James R. Krueger, Deputy City Manager

JRK

Attachments

Police Officers Association of Lodi

Article I-Salary and Term

Article 1.1

Effective October 9,2008 employees shall receive increases of 10.0%

Article 1.2

Effective October 9,2008 employees shall receive an additional percentage (in addition to the amount determined by applying Article 1.1) shall be determined by comparing the Police Officer's salary with the salary for Sergeant's salary (~~as~~ surveyed and compared to salaries of comparable agencies) ~~as~~ of October 9,2008 and reducing the amount (as calculated for the Sergeant position) by 20%. (City to provide side letter explaining calculationsto occur on this date).

Article 1.3

Effective October 9,2009 employees shall receive an amount that shall be determined by comparing the Police Officer's salary with the salary for Sergeants salary (as surveyed and compared to salaries of comparable agencies) ~~as~~ of October 9,2009 and reducing the amount (~~as~~ calculated for the Sergeant position) by 20%. If General Fund Revenues do not increase by at least 1% (using audited revenues for the year ended June 30,2008 in comparison with audited revenues for the year ended June 30, 2009) , then POAL and the City of Lodi will reopen negotiations with regard to salary and benefits.

Effective October 9,2010 employees shall receive an amount that shall be determined by comparing the Police Officer's salary with the salary for Sergeants salary (~~as~~ surveyed and compared to salaries of comparable agencies) as of October 9, 20 10 and reducing the amount (as calculated for the Sergeant position) by 20%. If General Fund Revenues do not increase by at least 1% (using audited revenues for the year ended June 30,2009 in comparison with audited revenues for the year ended June 30,2010) ,then POAL and the City of Lodi will reopen negotiations with regard to salary and benefits.

Article XIV (replace Performance Incentive Bonus with the following)

Additional Compensation/Loyalty Program

After completing ten years of service with the Lodi Police Department, employees will receive an annual loyalty compensation amount of \$1,500 in November of the year following completion of ten years of service and each year thereafter until completing twenty years of service with the Lodi Police Department. Employees who have completed twenty years of service with the Lodi Police Department will receive an

annual loyalty compensation amount of \$3,000 on November of the year following completion of twenty years of service and each year thereafter.

For purposes of this article, all employees who as of October 31st meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Police Department) will receive the loyalty awards associated with their years of service with the Lodi Police Department.

Article V (5.2)

No more than ~~100~~ **240** hours of compensatory time may be carried on the books at any time.

Article 34.1

Increase the medical fringe benefit for employees opting out of the agreed upon health benefit to ½ of the benefit's cost paid to the employee's deferred compensation account.

Article 34.X

Reopen negotiations when PORAC trust becomes available.

Article 41.1

Increase ABT account to 800 hours

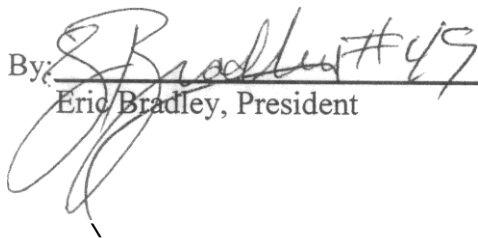
Article LII-Term

The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City of Lodi and POAL agree that the term is October 9,2007 through October 8,2011

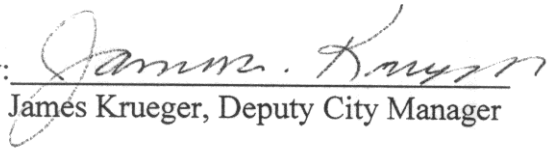
This Tentative Agreement only represents the tentative agreement of the negotiating parties. In order for it to become binding and effective it must first be approved by the Lodi City Council and the membership of the POAL.

POAL

THE CITY OF LODI, a municipal
corporation

By: #45
Eric Bradley, President

Sierra Brucia, Police Corporal

By: 
James Krueger, Deputy City Manager

By:

Dean Gualco, ~~Human~~ Resources Manager

Calculation of Police Officer's Salaries in relation to Sergeant's salaries

As of October 9, 2008, October 9, 2009 and October 9, 2010 Police Officer's salaries will be calculated based upon a survey that compares the median of the total compensation for the nine comparative cities to the City of Lodi Police Lieutenant's salaries and then the following calculations will be used to arrive at an adjustment to the salaries of Police Officers:

- 1) The median for the highest step salary for lieutenants of the nine comparable cities shall be compared to the highest step lieutenant's salary of Lodi.
- 2) The amount as established in step 2 shall be divided by 1.20 to establish the salary for sergeants.
- 3) The amount as established in step 3 shall be divided by 1.20 to establish the salary for police officers.
- 4) As of October 9, 2008, the increase in Police officers salaries as established in step 4 shall be no less than 10%.
- 5) At salary adjustment dates subsequent to October 9, 2008, steps 1-3 shall be used and there will be no minimum adjustment as stipulated in step 4.

RESOLUTION NO. 2008-06

A RESOLUTION OF THE LODI CITY COUNCIL
AMENDING THE MEMORANOU OF UNDERSTANDING
WITH THE POLICE OFFICERS ASSOCIATION OF LODI

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WHEREAS, representatives from the City of Lodi and Police Officers Association of Lodi (POAL) have bargained in good faith for the purpose of amending certain articles of the Memorandum of Understanding (MOU).

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that it does hereby amend the MOU as follows:

Article I-Salary

1.1 Removed and replaced as follows:

Effective October 9, 2008, employees shall receive increases of 10.0%.

1.2 Removed and replaced as follows:

Effective October 9, 2008, employees shall receive an additional percentage (in addition to the amount determined by applying Article 1.1) that shall be determined by comparing the Police Officer's salary with the salary for Sergeant's salary (as surveyed and compared to salaries of comparable agencies) as of October 9, 2008, and reducing the amount (as calculated for the Sergeant position) by 20%.

1.3 Removed and replaced as follows:

Effective October 9, 2009, employees shall receive an amount that shall be determined by comparing the Police Officer's salary with the salary for Sergeants salary (as surveyed and compared to salaries of comparable agencies) as of October 9, 2009, and reducing the amount (as calculated for the Sergeant position) by 20%. If General Fund Revenues do not increase by at least 1% (using audited revenues for the year ended June 30, 2008, in comparison with audited revenues for the year ended June 30, 2009), then POAL and the City of Lodi will reopen negotiations with regard to salary and benefits.

1.4 Added:

Effective October 9, 2010, employees shall receive an amount that shall be determined by comparing the Police Officer's salary with the salary for Sergeants salary (as surveyed and compared to salaries of comparable agencies) as of October 9, 2010, and reducing the amount (as calculated for the Sergeant position) by 20%. If General Fund Revenues do not increase by at least 1% (using audited revenues for the year ended June 30, 2009, in comparison with audited revenues for the year ended June 30, 2010), then POAL and the City of Lodi will reopen negotiations with regard to salary and benefits.

Article XVI ~~Performance Incentive Bonus~~ Additional Compensation/Loyalty Program

Remove and replace as follows:

After completing 10 years of service with the Lodi Police Department, employees will receive an annual loyalty compensation amount of \$1,500 in November of the year following completion of 10 years of service and each year thereafter until completing 20 years of service with the Lodi Police Department. Employees who have completed 20 years of service with the Lodi Police Department will receive an annual loyalty compensation amount of \$3,000 on November of the year following completion of 20 years of service and each year thereafter.

For purposes of this article, all employees who as of October 31st meet the service level requirements (either 10 full years or 20 full years from the first day of the month in which they started their employment with the City of Lodi Police Department) will receive the loyalty awards associated with their years of service with the Lodi Police Department.

Article V Compensatory Time

5.2 is amended as follows:

No more than ~~100~~ 240 hours of compensatory time may be carried on the books at any time.

Article XXXIV

34.1 is amended as follows:

If an employee elects not to be covered by medical insurance, an additional ~~\$100~~ amount will be added to the employee's deferred compensation account to equal one-half of the medical insurance premium that would have been paid by the City of Lodi (had insurance coverage been provided to the employee).

Article XLI Association Time

41.1

The amount of association time that may be contributed by members is amended to a maximum of 800 hours.

Article LII-Term

52.1 is removed and replaced as follows:

The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City of Lodi and POAL agree that the term is October 9, 2007 through October 8, 2011.

Date: January 16,2008

I hereby certify that Resolution No. 2008-06 was passed and adopted by the Lodi City Council in a regular meeting held January **16**, 2008, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, and
Mayor Mounce

NOES: COUNCIL MEMBERS – Hitchcock

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

A handwritten signature in black ink, appearing to read 'Randi Johl', with a stylized flourish extending from the bottom right.

RANDI JOHL
City Clerk